

## University of Montana ScholarWorks at University of Montana

---

Max S. Baucus Speeches

Archives and Special Collections

---

10-29-1977

# National Farmers Organization

Max S. Baucus

Let us know how access to this document benefits you.

Follow this and additional works at: [https://scholarworks.umt.edu/baucus\\_speeches](https://scholarworks.umt.edu/baucus_speeches)

---

### Recommended Citation

Baucus, Max S., "National Farmers Organization" (October 29, 1977). *Max S. Baucus Speeches*. 31.  
[https://scholarworks.umt.edu/baucus\\_speeches/31](https://scholarworks.umt.edu/baucus_speeches/31)

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact [scholarworks@mso.umt.edu](mailto:scholarworks@mso.umt.edu).

Printing, Graphics & Direct Mail  
ONBASE SYSTEM  
Indexing Form

Senator \* or Department\*: **BAUCUS**

Instructions:

Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type\*: **Speeches & Remarks**

MONTH/YEAR of Records\*: **October-1977**

(Example: JANUARY-2003)

(1) Subject\*: **Agriculture**

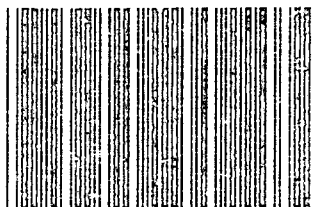
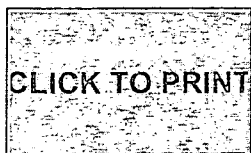
(select subject from controlled vocabulary, if your office has one)

(2) Subject\* **National Farmers Organization**

DOCUMENT DATE\*: **10/29/1977**

(Example: 01/12/1966)

\* "required information"



BAUCUS

AN ADDRESS BY  
CONGRESSMAN MAX BAUCUS

BEFORE THE  
NATIONAL FARMERS ORGANIZATION  
HERITAGE INN, GREAT FALLS, MONTANA  
OCTOBER 29, 1977

THANK YOU FOR INVITING ME THIS AFTERNOON.

I WOULD LIKE TO SPEND A FEW MINUTES DISCUSSING PROBLEMS  
OF LOW PRICES IN AGRICULTURE. <sup>THE</sup> ~~AND WHAT MIGHT BE DONE.~~

FARMERS DON'T NEED TO BE TOLD THAT PRICES ARE LOW.  
A RECENT REPORT INDICATED THAT IN TERMS OF PURCHASING POWER <sup>OUR FARMERS</sup> ~~YOU~~  
ARE HAVING <sup>THEIR</sup> ~~YOUR~~ WORST YEAR SINCE 1932.

LOW PRICES ARE CAUSING SEVERE FINANCIAL PROBLEMS. ~~FOR MANY~~  
~~OF YOU.~~ SOME FARMERS ARE GOING TO GO BROKE THIS YEAR. ~~THE~~  
~~UNFORTUNATE THING IS THAT~~ YOUNG FARMERS AND SMALL FAMILY FARMS  
ARE HIT HARDEST.

LOW AGRICULTURAL PRICES ARE NOT JUST A PROBLEM FOR  
FARMERS. AFTER A YEAR LIKE 1976 -- WHEN AVERAGE FARM INCOME DECREASE  
BY ALMOST \$2,000 IN MONTANA -- FARM FAMILIES HAVE HAD TO SHARPLY  
CURTAIL THEIR SPENDING. CONSEQUENTLY, RURAL MERCHANTS ARE REPORTING  
DRASTICALLY REDUCED SALES, <sup>Too.</sup>

WHEN FARMERS ARE IN TROUBLE, THE ECONOMY OF MONTANA IS IN TROUBLE. THE ECONOMIES OF MANY OTHER STATES ARE IN TROUBLE.

AND, I THINK IF THINGS DON'T IMPROVE FOR FARMERS, AMERICA WILL BE IN TROUBLE. . . . RURAL AMERICA.

LOW PRICES AND RURAL DEPRESSION ARE NOTHING NEW TO ~~YOU~~. FARMERS THROUGHOUT HISTORY HAVE SUFFERED FROM LOW INCOMES.

HOWEVER, CHANGES IN THE AMERICAN ECONOMY ARE MAKING ~~FARM~~ PROBLEMS MORE SERIOUS. . . . THOSE

A CENTURY AGO, AGRICULTURE WAS LARGELY A SUBSISTANCE INDUSTRY.

OUR FOREFATHERS USED FEW PURCHASED ~~GOODS~~ GOODS AND MOST OF WHAT THEY PRODUCED WAS USED ON THE FARM. CONTRAST THAT WITH THE SITUATION TODAY. YOU DEPEND ON OUTSIDE CORPORATIONS TO PROVIDE NEARLY ALL YOUR EQUIPMENT AND SUPPLIES, AND TO PURCHASE ALMOST ALL OF YOUR PRODUCTS. . . . THIS HAS LED TO SOME BENEFITS.

~~THIS KIND OF AGRICULTURAL SYSTEM~~ IT HAS ALLOWED THE UNITED STATES TO BECOME THE MOST PRODUCTIVE NATION ON EARTH.

NOT ONLY DO WE LEAD IN INDUSTRIAL PRODUCTION, WE ARE ALSO THE BREADBASKET OF THE WORLD. WE PRODUCE 14 PERCENT OF THE WORLD'S WHEAT AND ABOUT HALF OF THE EXPORT SUPPLY. WE PRODUCE 28 PERCENT OF THE WORLD'S FEED GRAINS, AND 60 PERCENT OF ITS BEEF.

UNFORTUNATELY, THE DEVELOPMENT OF THIS SYSTEM HAS PRODUCED SEVERE PROBLEMS FOR ~~MONTANA~~ OUR AGRICULTURAL ECONOMY.

INDUSTRIES THAT SERVE AGRICULTURE ARE BECOMING INCREASINGLY CONCENTRATED.

HOW MANY TRACTOR MANUFACTURERS ARE THERE TODAY? HOW MANY MAJOR GRAIN COMPANIES? HOW MANY RAILROADS HAULING GRAIN OUT OF ~~MONTANA~~ OUR STATE?

MACHINERY AND SUPPLIES

A HANDFUL OF CORPORATIONS SELL MOST OF THE ~~INPUTS~~ AND BUY MOST OF THE PRODUCTS OF THREE MILLION AMERICAN FARMERS. AND, IT'S CLEAR WHO'S COMING OUT BEST ~~IN THESE DEALINGS~~.

MONOPOLISTIC INDUSTRIES HAVE AT LEAST SOME CONTROL OVER PRICES THEY CHARGE OR PAY. THEY CAN PASS PRICE INCREASES ON TO THEIR CUSTOMERS. THEY CAN COMPENSATE FOR INCREASED PRODUCTION COSTS BY REDUCING WHAT THEY PAY FOR INPUTS.

FARMERS DON'T HAVE THAT KIND OF ECONOMIC LEVERAGE. THEY TAKE THE GOING PRICE FOR THEIR PRODUCE AND PAY WHATEVER IS BEING CHARGED FOR INPUTS.

THAT EXPLAINS WHY FARMERS ARE RECEIVING LESS FOR WHEAT NOW THAN THEY DID IN THE EARLY 1950'S.

BUT DUE TO "RISING COSTS," THE PRICE OF BREAD HAS DOUBLED SINCE 1950.

I DON'T HAVE TO TELL YOU ABOUT RISING COSTS IN AGRICULTURE. PRICES OF ALMOST EVERYTHING ARE SKYROCKETING.

I READ RECENTLY THAT PRICES OF FARM TRACTORS HAVE DOUBLED SINCE 1971. AND I'D MUCH RATHER TAKE ON A WASHINGTON MUGGER THAN A MONTANA PARTS SALESMAN.

4  
BUT WHAT WE SHOULD BE ASKING HERE TODAY IS NOT SO MUCH "WHAT IS THE PROBLEM" BUT "WHAT CAN WE DO ABOUT IT."

IN THE FIRST PLACE, GOVERNMENT ACTION, MUCH AS WE MAY DISLIKE IT, IS ONE SOLUTION TO AGRICULTURAL PROBLEMS.

THE FEDERAL GOVERNMENT IS INVOLVED AND WILL CONTINUE TO BE INVOLVED IN A HOST OF AREAS THAT AFFECT AGRICULTURE. EXAMPLES INCLUDE -- DRUGS AND CHEMICALS, INSPECTION AND LABELLING PROCEDURES FOR MEATS AND OTHER FOOD PRODUCTS, FEDERAL WATERWAYS PROJECTS, IMPORT QUOTAS.

NEARLY EVERY PIECE OF LEGISLATION CONSIDERED BY CONGRESS WILL AFFECT AGRICULTURE IN SOME WAY.

NEW RELATIONSHIPS WITH GOVERNMENT ARE FACTS OF LIFE. WE HAVE TO WORK WITH THEM.

ALL OF US  
FARM. IT IS IMPORTANT FOR YOU TO KEEP ABREAST OF DEVELOPMENTS ON LEGISLATION AND TO KEEP YOUR REPRESENTATIVES INFORMED ABOUT YOUR PROBLEMS AND VIEWS. AS THOMAS JEFFERSON ONCE SAID: EACH OTHER FOR

ALSO, TOGETHER, WE HAVE TO MAKE EVERY EFFORT TO EDUCATE NON-FARM PEOPLE AND THEIR REPRESENTATIVES ABOUT THE SERIOUSNESS OF PROBLEMS FACING AGRICULTURE.

NON-RURAL PEOPLE HAVE A BIG SAY IN THE LEGISLATIVE PROCESS AND CAN BE VERY HELPFUL OR VERY DETRIMENTAL.

LET ME GIVE YOU AN EXAMPLE. (MAX, TELL THE STORY OF YOUR LOBBYING EFFORTS FOR THE FARM BILL -- HOW YOU GOT THE CITY-SUBURBAN REPRESENTATIVES TO VOTE WITH THE FARM BLOCK)..

Impossible Odds

Farm groups only talk to find Kirk in at my office.

THE HISTORY OF GOVERNMENTAL INVOLVEMENT IN COMMODITY PROGRAMS GOES BACK TO THE EARLY 1930's.

SINCE THEN, GOVERNMENT HAS BEEN HEAVILY INVOLVED IN WHEAT AND FEED GRAINS. AT TIMES YOU PRODUCERS HAVE "FARMED THE PROGRAMS" AS MUCH AS THE LAND.

THESE PROGRAMS HAVE SUCCESSFULLY BOLSTERED FARM INCOME AND SAVED MANY PRODUCERS FROM FINANCIAL RUIN.

THEY HAVE BEEN REASONABLY SUCCESSFUL IN PRESERVING FAMILY FARMS AND IN PROVIDING ABUNDANT SUPPLIES OF FOOD TO CONSUMERS AT REASONABLE PRICES.

BUT WHAT GOVERNMENT PROGRAMS HAVE NOT DONE IN THEIR 45 YEAR HISTORY IS PROVIDE A LONG-TERM SOLUTION TO PERIODIC OVERPRODUCTION.

THEY HAVE NOT PROVIDED INCOME STABILITY. THEY HAVE NOT PROVIDED A MECHANISM TO ALLOW YOU TO DEAL ON AN EQUAL BASIS WITH GIANT AGRI-BUSINESS. THEY HAVE NOT INCREASED FARM INCOMES TO LEVELS ENJOYED BY NON-AGRICULTURAL WORKERS.

SO HOW DO WE MAKE  
GOVT PROGRAMS WORK

THESE ARE PROBLEMS THAT MIGHT BE SOLVED BY COOPERATION AMONG FARMERS THEMSELVES.

AGRICULTURAL COOPERATION HAS A LONG HISTORY IN THE UNITED STATES.

THERE ARE REPORTS OF COOPERATIVE CHEESE AND BUTTER FACTORIES BEING ESTABLISHED IN NEW YORK IN THE 1850's.

6  
-4-  
WHAT WE SHOULD BE ASKING HERE TODAY IS NOT SO MUCH "WHAT IS THE PROBLEM" BUT "WHAT CAN WE DO ABOUT IT."

GOVERNMENT ACTION, MUCH AS WE MAY DISLIKE IT, IS ONE SOLUTION TO AGRICULTURAL PROBLEMS.

THE FEDERAL GOVERNMENT IS INVOLVED AND WILL CONTINUE TO BE INVOLVED IN A HOST OF AREAS THAT AFFECT AGRICULTURE. EXAMPLES INCLUDE -- DRUGS AND CHEMICALS, INSPECTION AND LABELLING PROCEDURES FOR MEATS AND OTHER FOOD PRODUCTS, FEDERAL WATERWAYS PROJECTS, IMPORT QUOTAS.

NEARLY EVERY PIECE OF LEGISLATION CONSIDERED BY CONGRESS WILL AFFECT AGRICULTURE IN SOME WAY.

NEW RELATIONSHIPS WITH GOVERNMENT ARE FACTS OF LIFE. WE HAVE TO WORK WITH THEM.

**FIRST,** IT IS IMPORTANT FOR <sup>ALL OF US</sup> ~~YOU~~ TO KEEP ABREAST OF DEVELOPMENTS ON LEGISLATION AND TO KEEP <sup>EACH OTHER</sup> ~~YOUR REPRESENTATIVES~~ INFORMED ABOUT ~~FOR~~ YOUR ~~PROBLEMS AND VIEWS.~~ **AS THOMAS JEFFERSON ONCE SAID:**

**SECOND,** <sup>WORKING</sup> ~~ALSO,~~ TOGETHER, WE HAVE TO MAKE EVERY EFFORT TO EDUCATE NON-FARM PEOPLE AND THEIR REPRESENTATIVES ABOUT THE SERIOUSNESS OF PROBLEMS FACING AGRICULTURE.

NON-RURAL PEOPLE HAVE A BIG SAY IN THE LEGISLATIVE PROCESS AND CAN BE VERY HELPFUL OR VERY DETRIMENTAL.

LET ME GIVE YOU AN EXAMPLE. -- (MAX, TELL THE STORY OF YOUR LOBBYING EFFORTS FOR THE FARM BILL -- HOW YOU GOT THE CITY-SUBURBAN REPRESENTATIVES TO VOTE WITH THE FARM BLOCK)..



6.5

Good example: efforts in Korea to raise target price  
wheat for 77 crops

Senate had its bill, Price + House bill 2.65

Farm states met - cooperation

Impossible Odds: city, Price, Chairman of Comm, Bedford  
groups said "no way"

Convince urban

- implement meat
- film
- arguments
- food stamps

Convince President - Cold hard stare

Convince Foley

Perit: Get People working together. Kick farmers  
out of office

7

-5-

THE HISTORY OF GOVERNMENTAL INVOLVEMENT IN COMMODITY PROGRAMS GOES BACK TO THE EARLY 1930's.

SINCE THEN, GOVERNMENT HAS BEEN HEAVILY INVOLVED IN WHEAT AND FEED GRAINS. AT TIMES YOU PRODUCERS HAVE "FARMED THE PROGRAMS" AS MUCH AS THE LAND.

THESE PROGRAMS HAVE SUCCESSFULLY BOLSTERED FARM INCOME AND SAVED MANY PRODUCERS FROM FINANCIAL RUIN.

THEY HAVE BEEN REASONABLY SUCCESSFUL IN PRESERVING FAMILY FARMS AND IN PROVIDING ABUNDANT SUPPLIES OF FOOD TO CONSUMERS AT REASONABLE PRICES.

BUT WHAT GOVERNMENT PROGRAMS HAVE NOT DONE IN THEIR 45 YEAR HISTORY IS PROVIDE A LONG-TERM SOLUTION TO PERIODIC OVERPRODUCTION.

THEY HAVE NOT PROVIDED INCOME STABILITY. THEY HAVE NOT PROVIDED A MECHANISM TO ALLOW YOU TO DEAL ON AN EQUAL BASIS WITH GIANT AGRI-BUSINESS. THEY HAVE NOT INCREASED FARM INCOMES TO LEVELS ENJOYED BY NON-AGRICULTURAL WORKERS.

FINALLY, THESE ARE PROBLEMS THAT MIGHT BE SOLVED BY COOPERATION AMONG FARMERS THEMSELVES.

AGRICULTURAL COOPERATION HAS A LONG HISTORY IN THE UNITED STATES.

THERE ARE REPORTS OF COOPERATIVE CHEESE AND BUTTER FACTORIES BEING ESTABLISHED IN NEW YORK IN THE 1850's.

TODAY COOPERATIVES ARE COMMON IN THE AGRICULTURAL MARKETPLACE. MOST ARE SMALL HOWEVER, AND HAVE LIMITED ABILITY TO COMPETE WITH THE BIG AGRI-BUSINESS CORPORATIONS.

SOMEHOW COOPERATIVE MARKETING HAS NEVER CAUGHT ON BIG FOR MAJOR COMMODITIES LIKE WHEAT AND BEEF.

ABOUT A MILLION FARMERS ARE RESPONSIBLE FOR 90 PERCENT OF UNITED STATES AGRICULTURAL PRODUCTION.

MOST OF THESE PRODUCERS CONTINUE TO ACT INDEPENDENTLY IN MARKETING THEIR PRODUCE.

AS MEMBERS OF THE NATIONAL FARMERS ORGANIZATION, YOU SHOULD BE COMMENDED FOR YOUR AGGRESSIVE LEAD IN EXPLORING NEW MARKETING TECHNIQUES. ~~AND COOPERATIVE~~ **IN FACT, I BELIEVE YOUR EFFORTS ARE CRUCIAL**

YOUR DIRECT MARKETING PROGRAMS FOR WHEAT AND FEEDER CATTLE ARE DEMONSTRATING WHAT COOPERATION AMONG JUST A FEW FARMERS CAN DO.

I SUPPORT AND ENCOURAGE EFFORTS BY FARMERS TO WORK TOGETHER TO SOLVE THEIR OWN PROBLEMS ~~WITHOUT~~ **WITH AS** GOVERNMENT INTERVENTION **AS POSSIBLE** ~~OR EXPENSE.~~

**I ALSO TAKE MY HAT OFF TO WIFE.**  
**TOGETHER** ~~FOR~~ YOU FARMERS KNOW BETTER THAN ANYONE ELSE WHAT YOUR PROBLEMS ARE AND HOW THEY SHOULD BE SOLVED.

~~TOGETHER WE ARE FACING HARD TIMES IN AGRICULTURE.~~

THIS IS A TIME WHEN WE ALL NEED TO WORK TOGETHER TO ACHIEVE OUR COMMON GOAL.

I WANT TO THANK YOU AGAIN FOR INVITING ME TO SPEAK. I WOULD BE HAPPY TO SPEND AS MUCH TIME AS YOU LIKE ANSWERING ANY QUESTIONS YOU MIGHT HAVE.

I DON'T THINK ANY OF US KNOW EXACTLY

###

- 160 limitation
- grazing fees: 1 yr monitor unit
- beef imports